

A M E N D E D APPLICATION

No. 72978

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JUL 01 2005
Returned to applicant for correction OCT 06 2005
Corrected application filed DEC 05 2005
Map filed DEC 05 2005

The applicant **Nevada Geothermal Power Inc. and Nevada Land and Resource Company, LLC** hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. **Nevada Geothermal Power Inc. is registered in British Columbia, Canada; and Nevada Land and Resource Company, LLC is a Delaware limited liability company.**

1. The source of the proposed appropriation is **Underground Well WW-1**
2. The amount of water applied for is **1600 GPM or 3.565 second feet second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Industrial Use**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks") **See attached item 12 remarks**
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the SE¹/₄ NW¹/₄ of Section 1, T.36N., R.34E., M.D.B.&M. or at a point from which the NW corner of said Section 1 bears N 58° 23' 26" E, 4554.0 feet**
NE 9/24/05
6. Place of Use **NE¹/₄ NW¹/₄ of Section 23, T.36N., R.34E., M.D.B.&M.**
7. Use will begin about **January 1st** and end about **December 31st** of each year.
8. Description of proposed works **Drilled well with pump and motor and pipeline to the place of use.**
9. Estimated cost of works **Total project - \$75,000,000**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

12. Remarks: See attached item 12 remarks

John H. Milton III, Agent
By s/ John H Milton III
146 West Second Street
Winnemucca, NV 89445

Compared gkl/mt W/ gkl

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is issued under the provisions of NRS 534.120(2) as a preferred use.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The total combined duty of water under Permits 72978, 73541, 73542 and 73543 shall not exceed 2,186 acre-feet per year.

This project is a renewable energy generation project as defined in NRS 701.080. An annual report that documents the amount of water diverted and beneficially used under Permits 72978, 73541, 73542 and 73543 shall be filed not later than January 31, of the year following the reporting year. A ground water monitoring plan shall be submitted for approval by the State Engineer and shall be implemented prior to development of water under these permits. The ground water monitoring plan shall be sufficient to establish the magnitude and areal extent of water level impacts that may result from pumpage under these permits. If ground water monitoring data indicate an unreasonable effect upon prior water rights to the extent those rights cannot be satisfied, diversion of water under these permits may be curtailed or mitigation measures may be required.

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The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.019 cubic feet per second, or 2,186 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

September 8, 2008

Proof of completion of work shall be filed on or before:

October 8, 2008

Water must be placed to beneficial use on or before:

September 8, 2011

Proof of the application of water to beneficial use shall be filed on or before:

October 8, 2011

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 8th day of September, A.D. 2006

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A _____

Certificate No. _____ Issued _____

Item 12 Remarks

Nevada Geothermal Power, Inc. and its affiliates (NGP) are developing a 30-megawatt geothermal power plant located 24 miles west of Winnemucca in Humboldt County, Nevada. The plant will be situated in the Desert Valley water basin (Basin 31) on the western slope of Blue Mountain and will be water-cooled to enhance its production capability during critical peak periods of electrical consumption. To optimize generation, the facilities will include a cooling tower that will require approximately 1,400-1600 GPM (see attached Power Engineers letter) of make-up water (evaporation in the cooling process) and blown-down water (replacement for saturation). The following summarizes the process and benefits of the water that will be consumed in the electrical generation process.

NGP has acquired several geothermal leases on private and federal lands to provide the geothermal resource necessary to power the plant. In each lease, NGP has reserved the rights to use the surface of the leased lands as required for project development. The intended point of diversion for plant cooling water is currently located on a private lease with Nevada Land and Resource Company (NLRC). NLRC lease terms require NGP to file jointly with them for water rights, but reserve to NGP the right to use the water in its generation process.

While the location of the plant is relatively remote, it is easily accessed via existing roads. The footprint of the plant is small and additional impact to the area will be limited. The project will add 10 to 15 permanent full-time jobs to the local economy while increasing the county property tax base and providing an additional opportunity for increased Net Proceeds Tax revenues to the state and county.

The total required for the cooling tower may be pumped from one well, or may be taken from two or more of the four wells planned. The area has wells with varied productivity and so production may be split between them or taken from one well.